

## Gravesham Borough Council

**Report to:** Licensing Committee  
**Date:** 13 June 2007  
**Reporting officer:** Head of Regulatory Services  
**Subject:** Gambling reform

### **Purpose and summary of report:**

To apprise Members of the steps taken in the setting of fees for Premises licences issued under the Gambling Act 2005

### **Recommendations:**

Members to note the contents of the report

## **1. Background**

- 1.1 In accordance with the provisions of the Gambling Act 2005 the Council, as Licensing Authority, will be responsible for issuing various licences, permits and notices relating to the use of premises for gambling activities.
- 1.2 The Gambling (Premises Licence Fees) (England and Wales) Regulations were published on 21 February 2007 and came into force on 21 May 2007. These regulations provide for licensing authorities to determine fees, up to certain maximum values, which are laid out in the regulations.
- 1.3 The decision relating to the setting of fees may be delegated to the Licensing committee or to an officer.
- 1.4 At its meeting of 24 April 2007 Council delegated the responsibility of the setting of fees to the Head of Regulatory Services.
- 1.5 In relation to each class of premises licence, licensing authorities may set different fees for the following:
  - a fast track conversion application for a licence (Regulation 4);
  - a non-fast track conversion application for a licence (Regulation 4);
  - a non-conversion application for a licence for premises in respect of which a provisional statement has already been issued (Regulation 5);
  - a non-conversion application for any other premises (Regulation 5);
  - an annual fee (Regulation 8);

- an application to vary a licence (Regulation 11);
- an application to transfer a licence (Regulation 12);
- an application for a provisional statement (Regulation 15);
- an application for a copy of a licence (Regulation 13);
- an application reinstatement of a licence (Regulation 14);
- A notification of a change of circumstance (Regulation 10);

1.6 The classes of premises that need to be licensed are:

- Existing casinos
- New small casino
- New large casino
- Regional casino
- Bingo club
- Betting Premises (excluding Tracks)
- Family Entertainment Centres
- Adult Gaming Centres

1.7 Licensing authorities who are not authorised to issue a licence for one of the new casinos do not need to set fees for this type of premises. At its meeting of 12 December 2006 Council passed a resolution not to issue casino premises licences within the borough.

## **2. Fee setting for Premises licences**

- 2.1 The Department of Culture Media and Sport (DCMS) requires that fees are set on the basis of recovery of costs only (including costs of administration, hearings, appeals, inspection and enforcement), and that the fee levels set represent fairness and value for money for the gambling industry.
- 2.2 Fees cannot be set on the basis of size, rateable value or any other basis. Licensing authorities must be transparent about the assumptions they have made in order to avoid challenges and judicial review against 'excessive fees'.
- 2.3 DCMS produced a toolkit to guide fee setting in a manner that can be justified. It was this toolkit and comparison with other Kent licensing authorities via the mechanism of the Kent and Medway Regulatory Licensing Steering Group that was used to provide a sound basis for fee setting and a rationale for an audit trail.
- 2.4 The toolkit detailed the various licences that will be issued, separated into the anticipated time that individual activities would take and then the cost each activity would attract based on the hourly rate of the officer(s) involved including oncosts.

- 2.5 The outcome of this costing exercise produced an outcome that fees should be set at a ratio of 72% of the maximum fee allowed. From those fees that have been published nationally this appears to be consistent with the approach taken by other licensing authorities.
- 2.6 Appendix A to this report details the various fees that have been set. These fees are now published, including being posted on the Gravesham Borough council website.

### **3. Permits**

- 3.1 Certain activities under the Gambling act 2005 are covered by permit or registration rather than by licence. This includes gaming machine permits for alcohol licensed premises.
- 3.2 Fees for permits and registrations are to be prescribed by regulation and licensing authorities will have no discretion in this matter.

### **4. Financial Implications**

- 4.1 DCMS intention is that licensing under the Gambling Act 2005 regime should be cost neutral for licensing authorities
- 4.2 DCMS recognise that 2007/8 will be atypical. There will be a number of conversion applications and the new licensing regime is only coming into effect part way through the financial year which may not give a true picture of the costs of implementing the new regime in future years. They consider that it would be appropriate for licensing authorities to review their fees at the end of 2007/8 and then again at the end of 2008/9 to satisfy themselves that they are charging fees which are as close to the cost of providing the service as possible. This review has been in-built into the departmental service plan for 2007/8 and beyond.

### **5. Risk Assessment**

- 5.1 Not setting the fees by 21 May 2007 would have meant that the Council would have been unable to fulfil its statutory duty to accept application for Premises licence applications from that date. This would have been to the possible detriment of local businesses wishing to make applications.
- 5.2 In setting the fees and working through the DCMS toolkit, we had the experience of the Licensing Act 2003 to draw on in costing out activities and predicting the likelihood of certain processes such as percentage of applications proceeding to Panel hearing and appeal.
- 5.3 However this is a 'best guess' and an ongoing review process in relation to fee levels is essential.
- 5.4 The fee setting rationale and all calculations were submitted to the Head of Financial Services for his agreement prior to the Head of Regulatory services setting and publishing the fees. This is in accordance with the Council resolution of 24 April 2007 that the Head of Regulatory Services would set the fees in conjunction with the Head of Financial Services.

